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February 9, 2001

David Waddell, Executive Secretary Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37238

Re: Generic Docket to Establish UNE Prices for Line Sharing per FCC 99-355 and Riser Cable and Terminating Wire as Ordered in TRA Docket No. 98-00123 Docket No. 00-00544

Dear Mr. Waddell:

The purpose of this letter is to advise the Authority that BellSouth has reached a regional settlement with the Data Coalition concerning the appropriate charge for one of the elements associated with line sharing. AT&T and MCI have no objection to the settlement. The settlement concerns the software monthly expense included in BellSouth's cost studies for Item J.4.3.

In this docket, BellSouth requested that the Authority approve a monthly recurring rate of \$7.70 for Element J.4.3 (Line Sharing Splitter - Per Line Activation in the Central Office). Last week, after further discussions with counsel for the Data Coalition, the parties reached a region-wide settlement of the rates for Element J.4.3. The largest component of the rate for this element was the costs associated with BellSouth's contract with Telcordia Technologies, Inc. Under the settlement, BellSouth will charge \$0.61 per month as an interim rate, subject to retroactive true-up once a permanent rate has been established. BellSouth agrees that it will not seek to establish a permanent rate until: (1) the Telcordia solution has been implemented and is commercially available; and (2) the parties in this docket

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have been advised in writing of BellSouth's intent to seek the establishment of a permanent rate. BellSouth further agrees that it will only seek to establish a permanent rate in the context of an Authority proceeding in which the Authority must affirmatively approve the proposed rate rather than merely allowing the rate to go into effect (e.g., a Statement of Generally Available Terms and Conditions).

Based on the parties' agreement, we respectfully request that the Authority adopt the monthly recurring rate of \$0.61, as an interim rate subject to true-up, for Element J.4.3. Please feel free to contact me if you have any questions or wish to discuss this matter further.

Sincerely,

Guy Hicks

cc: All parties of record

CERTIFICATE OF SERVICE

I hereby certify that on February 9, 2001, a copy of the foregoing document was served on the parties of record, via the method indicated:

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